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NEW INITIATIVE - CPB-5  
(Thousands of Then-Year Dollars)

Directorate DA  
 Category General Support  
 CEC Logistical Services  
 EC OL 8278  
 New No. N01

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Initiative Name: Printing and Photography Group Five-Year Equipment Replacement Program

	<u>FY 1989</u>	<u>FY 1990</u>	<u>FY 1991</u>	<u>FY 1992</u>	<u>FY 1993</u>	<u>FY 1994</u>	<u>FY 1995</u>
Total Dollars			2475	3689	3296	3763	3507
Positions			0	0	0	0	0

This is a five year, \$16.7 million initiative to replace and modernize capital equipment used in the production of finished intelligence publications within the Office of Logistics, Printing and Photography Group (P&PG). P&PG's equipment budget for FY-90 through FY-95 has been taken into consideration in preparing this initiative. Equipment to be acquired using projected budget allocations has not been included in this package.

Without the resources contained in this initiative, P&PG will not be able to continue its support to intelligence products. Attached is a listing of equipment scheduled for replacement between FY-91 and FY-95. In each instance, the age of the equipment exceeds industry standards. Failure to replace this equipment as scheduled will result in a severe adverse impact on P&PG's operation and the Agency's mission.

P&PG's primary mission is to provide Agency wide printing and photography support which includes the daily production of finished intelligence publications such as the President's Daily Brief, the National Intelligence Daily, and the National Intelligence Estimates. The information explosion of the eighties brought with it a more complex, diverse, and dynamic environment in which to analyze and report on intelligence issues. The issues are so complex and developing so rapidly that accurate and timely intelligence estimates are essential. The analyst's ability to provide policymakers with information which can be assimilated as quickly as possible is critical to the Agency's success. As analysts develop alternative approaches to provide policymakers with information, requirements for these presentations place more and new demands on our printing and photography systems. In

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~~short, analysts now require more timely and sophisticated publications and visual aids in order to get their messages out and across to policymakers. The Agency's success in meeting these challenges hinges on the reliability, availability, and capabilities of P&PG's production equipment.~~

Much of P&PG's equipment is either technologically obsolete or has surpassed its useful life expectancy. Some vendors have indicated they plan to release new state-of-the-art equipment and will discontinue routine maintenance and repair services of existing equipment in the early nineties. Therefore, it is imperative that P&PG replace obsolete and or worn out systems with state-of-the-art equipment both to maintain and enhance P&PG's capability to produce time-critical intelligence publications.

Lack of funding for this initiative could have a devastating impact on the Agency's image in the Intelligence Community. The Directorate for Intelligence (DI) has expended millions of dollars on state-of-the-art systems to increase intelligence collection and analytical capabilities. The DI's systems and capabilities are useless if P&PG can not compose, reproduce, and disseminate the information to the policymakers in a timely manner.

P&PG's present systems can not keep pace with demands being placed on them. Intensifying demands coupled with increasing equipment down-time because of maintenance problems could prove to be disastrous when the Agency fails to meet daily deadlines for producing high profile finished intelligence publications and briefing aids. In addition, other requests will continue to increase backlogs, throughput time will increase, and P&PG may be forced to reject requests because deadlines can not be met.

This initiative is the direct result of extensive budget cuts which have left insufficient base funds for P&PG to adequately provide for planned equipment replacement. P&PG has relied heavily on the unfunded requirements process for modernization as well as to supplement equipment replacement.

Initiative, which was originally proposed for FY-89, would have provided \$6.1 million for additional space and equipment for the new plant plus back-fill replacement equipment for the headquarters facility. Deferring the Reston Initiative until 1992 and later coupled with budget cuts have made it impossible for P&PG to continue a viable equipment replacement program. It is imperative that we recognize the severity of this problem and take necessary corrective action. P&PG cannot wait

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until FY-93 to replace this aging equipment. It is therefore essential that the five-year \$16.7 million Recapitalization Program Initiative as outlined in the attached equipment schedules be approved.

P&PG has \$705 thousand in its base for the operation and maintenance of its equipment. In this initiative P&PG is asking that their base be increased by \$225 thousand in FY-91, \$540 thousand in FY-92, \$791 thousand in FY-93, \$1.061 million in FY-94, and \$1.283 million in FY-95. These monies are required to meet the additional costs associated with maintenance of new technology equipment as well as to provide P&PG with a realistic base figure (the current base is extremely weak due to impact of previous budget cuts). With the advent of hybrid production systems, high tech equipment in the printing and photographic fields is generally more expensive to maintain due to its increased software and hardware complexity, integrated systems architecture, and, the subsequent need to rely on contractors for "specialized" repairs. Without these additional funds P&PG will be unable to keep the new systems running.